

House Amendment to
Senate File 2349

S-5178

1 Amend Senate File 2349, as passed by the Senate, as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. NEW SECTION. 505.20 **Certain agricultural**
5 **organizations exempt from regulation.**

6 1. A health benefit plan, sponsored by a nonprofit
7 agricultural organization domiciled in this state and created
8 primarily to promote programs for the development of rural
9 communities and the economic stability and sustainability of
10 farmers in the state which meets the requirements set forth in
11 subsection 2, shall be deemed to not be insurance and shall
12 not be subject to the provisions of Title XIII, subtitle 1, to
13 the extent such plan, after January 1, 2018, provides health
14 benefits under a self-funded arrangement that is administered
15 by a domestic entity that is registered as a third-party
16 administrator pursuant to chapter 510 and that has continuously
17 provided, either directly or through an affiliate, health
18 care administrative services to the nonprofit agricultural
19 organization or its affiliates for a period in excess of ten
20 years.

21 2. A nonprofit agricultural organization providing a health
22 benefit plan to its members under this section must meet all
23 of the following requirements:

24 a. Have been in existence for twenty-five continuous years
25 prior to the issuance of health benefits to members of the
26 organization.

27 b. Provide membership opportunities for eligible individuals
28 in all ninety-nine counties of the state.

29 c. Collect annual dues from members.

30 d. Hold regular meetings to further the purposes of the
31 members.

32 e. Provide the members with representation on its governing
33 board and committees.

34 f. Provide education, mentoring, and financial assistance to
35 grow and expand rural businesses in the state.

1 g. Have contracted with the domestic entity described in
2 subsection 1 to administer the health benefit plan.

3 3. Such nonprofit agricultural organization shall file a
4 certification with the commissioner that the organization meets
5 the foregoing requirements prior to providing health benefits
6 under a self-funded arrangement to its members.

7 Sec. 2. Section 507A.4, subsection 9, Code 2018, is amended
8 to read as follows:

9 9. a. Transactions involving a multiple employer welfare
10 arrangement, as defined in section 3 of the federal Employee
11 Retirement Income Security Act of 1974, 29 U.S.C. §1002,
12 paragraph 40, if the multiple employer welfare arrangement
13 meets all of the following conditions:

14 (1) The arrangement is administered by an authorized
15 insurer or an authorized third-party administrator.

16 ~~(2) The arrangement has been in existence and provided~~
17 ~~health insurance in Iowa for at least five years prior to July~~
18 ~~1, 1997.~~

19 ~~(3)~~ (2) The arrangement ~~was~~ is established by a trade,
20 industry, or professional association of employers that
21 has a constitution or bylaws, and ~~has been~~ is organized and
22 maintained in good faith ~~for at least ten continuous years~~
23 ~~prior to July 1, 1997~~ with membership stability as defined by
24 rules adopted by the commissioner.

25 ~~(4)~~ (3) The arrangement registers with and obtains
26 and maintains a certificate of registration issued by the
27 commissioner ~~of insurance.~~

28 ~~(5)~~ (4) The arrangement is subject to the jurisdiction
29 of the commissioner ~~of insurance, including regulatory~~
30 ~~oversight~~ and complies with all rules and solvency standards as
31 established ~~by rules adopted~~ by the commissioner ~~of insurance~~
32 pursuant to [chapter 17A](#).

33 b. A multiple employer welfare arrangement ~~registered with~~
34 ~~the commissioner of insurance~~ that does not meet the solvency
35 ~~standards~~ requirements established by ~~rule adopted by the~~

1 commissioner ~~of insurance~~ is pursuant to chapter 17A shall be
2 subject to [chapter 507C](#).

3 c. A multiple employer welfare arrangement that meets all
4 of the conditions of paragraph "a" shall not be considered any
5 of the following:

6 (1) An insurance company or association of any kind or
7 character under [section 432.1](#).

8 (2) A member of the Iowa individual health benefit
9 reinsurance association under [section 513C.10](#).

10 (3) A member insurer of the Iowa life and health insurance
11 guaranty association under [section 508C.5, subsection 12](#).

12 d. A multiple employer welfare arrangement registered with
13 the commissioner ~~of insurance~~ shall file with the commissioner
14 ~~of insurance~~ on or before March 1 of each year a copy of the
15 report required to be filed by the multiple employer welfare
16 arrangement with the United States department of labor pursuant
17 to 29 C.F.R. §2520.101-2. A newly formed multiple employer
18 welfare arrangement shall file with the commissioner a copy
19 of the report required to be filed pursuant to 29 C.F.R.
20 §2520.101-2 by a newly formed multiple employer welfare
21 arrangement with the United States department of labor thirty
22 days prior to operating in any state. The copy shall be filed
23 with the commissioner within thirty calendar days of the date
24 that the multiple employer welfare arrangement files the report
25 with the United States department of labor.

26 e. ~~When not otherwise provided, a~~ A foreign or domestic
27 multiple employer welfare arrangement doing business in this
28 state shall pay ~~to the commissioner of insurance~~ the fees as
29 ~~required in~~ pursuant to [section 511.24](#) unless otherwise provided
30 by law.

31 Sec. 3. Section 509.1, Code 2018, is amended by adding the
32 following new subsection:

33 NEW SUBSECTION. 8A. A policy of group health insurance
34 coverage issued to an associated health plan pursuant
35 to section 513D.1 that is subject to regulation by the

1 commissioner.

2 Sec. 4. Section 509.1, subsection 9, unnumbered paragraph
3 1, Code 2018, is amended to read as follows:

4 A policy issued to a resident of this state under a group
5 life, accident, or health insurance policy issued to a group
6 other than one described in subsections 1 through & 8A, subject
7 to the following requirements:

8 Sec. 5. NEW SECTION. **513D.1 Association health plans.**

9 The commissioner shall adopt rules that allow for the
10 creation of association health plans that are consistent with
11 the United States department of labor's regulations in 29
12 C.F.R. pt. 2510.

13 Sec. 6. NEW SECTION. **513D.2 Rules and enforcement.**

14 1. The commissioner shall adopt rules, as necessary,
15 pursuant to chapter 17A to administer this chapter.

16 2. The commissioner may take any enforcement action under
17 the commissioner's authority to enforce compliance with this
18 chapter.

19 Sec. 7. **EMERGENCY RULES.** The commissioner may adopt
20 emergency rules under section 17A.4, subsection 3, and
21 section 17A.5, subsection 2, paragraph "b", to administer the
22 provisions of this Act. Any rules adopted in accordance with
23 this section shall also be published as a notice of intended
24 action as provided in section 17A.4.>

25 2. Title page, by striking lines 1 through 3 and inserting
26 <An Act relating to health plans established by associations of
27 employers or sponsored by certain agricultural organizations.>